

MEC BRIEFING

25X1 10 April 1957

NORTH AFRICA DEVELOPMENTS

I. Despite French claims, no evidence of material let-up in 30-month-old Algerian rebellion. Lacoste, who has previously predicted success of "pacification" effort by June '56, Oct '56 and Feb '57, now expects "material improvement" by June '57. As with prior predictions, this seems unlikely.

A. Rebel strength, still estimated 20-30,000, is mainly concentrated along eastern and western borders.

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[redacted] rebels' military capabilities are much improved over last year: rebels now determined to stay in field for two more years, if necessary.

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B. Arms shortage remains the chief rebel handicap.

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C. Neighboring Morocco and Tunisia are unofficially providing the rebels with arms transit, as well as rest and regroupment facilities.

1. At same time, both Moroccan and Tunisian governments--thus far unsuccessfully--have urged the Algerian rebels to drop independence demands for the present, reach interim agree-

II. Meanwhile, in Morocco, relations with the French are particularly sour. Neither nation has ambassador to the other. In addition to Algerian issue, still complicated by French kidnapping of 5 Algerian rebel leaders last October, Moroccan-French problems include:

- A. French withholding of promised loans, at time when Morocco is hard-pressed. Moroccans may circumvent this problem by taking loans from other sources.
 - 1. Rabat has already received \$5 million of a \$15-20 million Saudi Arabian loan and seems assured of an \$8.5 million grant from Spain.
 - 2. Moroccans may seek substantial augmentation of US aid during forthcoming air-base and VOA negotiations.
- B. Continued presence of 80,000 man French army in Morocco, which Rabat still fears might attempt reoccupation.

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- 2. Moroccans demand that troops be withdrawn.
- C. Repeated Moroccan demands for creation of a mixed border commission, to delineate boundaries.
 - 1. Unofficial Moroccan claims to French West African area of Mauritania--with probable tacit approval of sultas—is irritation to French.
- D. French resentment of Morocco's 11 Feb treaty with Spain, granting Spanish the right to represent Morocco in Latin America and the Philippines.

III. French relations with Tunis are only relatively better.

Ambassadors were finally exchanged in Feb '57.

A. However, Tunisian fiscal situation is even more grave than Morocco's and Tunisia is likely to seek increased US aid.

B. Although France has reduced army of Tunis from 40,000 to 33,000 in past 6 months, Tunisians demand complete French evacuation--except for strategic base at Bizerte--before discussing joint defense responsibilities.

C. Perennial unemployment problem complicated by severe drought, locust plague.

1. Tunisian unemployment estimated at 400,000 (out of potential labor force of 1 million).

2. This the third consecutive year of drought for Tunisia.

Approved For Release 2003/10/01 : CIA-RDP79R00890A000800060005-8

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